

1982 the effective corporate income tax rates jumped from 20% on the lower taxable incomes and 53% on higher incomes, 20% on lower taxable incomes and 53% on higher incomes. If the individual rate is increased to 20% as provided by this bill, LB 59, the corporate increases will be 33 1/3% lower on incomes and nearly 70% on the higher incomes. In view of these substantial increases in corporate taxes and the state of today's economy, I urge you not to increase the corporate income taxes this year by reducing the corporate percentages to 22.5% of the individual rate on the first \$50,000 and 31.5% on the excess. Those corporate percentages on a 20% individual rate will produce the same amount of revenue as the higher percentages on the 18% rate and, thus, maintain corporate income tax collections at the level existing today. We realize of course that we are looking for sources of additional revenue but in view of today's depressed economy and the numbers of business failures, jobs layoff and unemployment we would hope that you would agree that further increases in the cost of doing business will only make a bad situation worse. Nebraska businesses already face a skyrocketing cost in many areas including unemployment compensation taxes, Workmens' Compensation, insurance premiums and I could go on to name quite a few others. I feel that we need to be careful that we do not drive these corporations out of the state nor do we want to keep new corporations from coming into our state and developing some new businesses and new industries. The other day many of us attended the Lancaster County Senators Week and we helped them observe Love the Legislature Week and we had a luncheon out at the Goodyear plant and in talking to these executives they told me that they were only operating at 55% capacity and then if we increase their tax rate, well I'm sure that they will be looking for other states to locate in. Governor Kerrey said that one of his priorities was to attract new industries, new business in our state and of course we know that the majority of these will be corporations and here once again we are raising that corporate rate. I guess my greatest concern is that we just do not want to see these corporations losing interest in the State of Nebraska. Therefore, I would urge that you would vote to adopt this amendment.

SENATOR CLARK: All right now, I have fourteen lights on up here for this little noncontroversial bill and I am going to find out if you want to talk on the amendment. Senator Kahle, all right. Senator Lamb, Senator Howard Peterson, Senator Marsh, Senator VonMinden, Senator Landis, on the amendment.

SENATOR LANDIS: Mr. Speaker, members of the Legislature,